

THE INFLUENCE OF PERCEIVED JUSTICE IN SERVICE RECOVERY ON COMPLAINANT SATISFACTION AND WORD-OF-MOUTH INTENTION AT HOTEL IN JAKARTA

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Abstract

The purpose of this study is to assess the relative influences of distributive (DJ), procedural (PJ), and interactional (IJ) justices on customer satisfaction with service recovery and to examine the relationship between recovery satisfaction and word-of-mouth intention. On-site surveys were administered to collect data from hotel guests who stayed, and experienced a service failure at five-star hotels. The effects of procedural and interactional justice have a positive relationship with complainant satisfaction and word-of-mouth intention. The results also confirmed the role of complainant satisfaction on word-of-mouth intention. Managerial implications of these findings are briefly discussed.

Keywords: Service failure, Service recovery, Perceived justice, Complainant satisfaction, Word-of-mouth intention

INTRODUCTION

Customer satisfaction through the delivery of service quality is a key component to overall success and satisfaction; both which are equally important to customers as well as employees. Competition in the field of tourism has always been extremely high as newcomers and adopter of new trends systematically appear and demand their own market share. Therefore, tourism industry professionals need to focus on offering better service at competitive prices. Hospitality organizations do typically strive to make customer satisfaction a focal point in their core values, vision and mission. However steady growth and expansion, global competition, and the influx of seasoned travelers create cumbersome

obstacles in delivering quality service. It appears that quality service is the cornerstone to industry success.

Customer satisfaction is crucial to the survival of any business organization. However, in many opportunities, perfection can't be reached and sometimes problem start to appear despite the hotel purpose to offer maximum quality for service. Once that problem appears, companies should welcome complaint because they should be viewed as a second chance to keep a dissatisfied customer loyal. If the customer is unsatisfied but does not complain he/she will likely leave the company and spread a bad word-of-mouth which can hurt the company's image. It has therefore been recognized that once a service failure occurs, it becomes crucial that service

recovery, defined as the action taken by the service provider to seek out dissatisfaction and as a response to poor service quality, be effectively carried out to reduce the damage in relationship and pacify the dissatisfied customer.

Although hospitality organizations strive to provide excellent service in the first place, the characteristic nature of the environment makes imperfections unavoidable. Therefore, things frequently go wrong. The majority of the customer dissatisfaction and complaint research has focused on why, who, and how consumers respond to dissatisfaction (Andreassen quoted in Kuenzel & Katsaris, 2004).

Satisfying a customer, however, is a difficult task, especially when it comes to services, since studies have shown that consumer's level of satisfaction is generally lower for services than products (Andreasen & Best quoted in Kuenzel & Kasaris, 2004). Lewis & McCann quoted in Kuenzel & Kasaris (2004) stated that in hotels, where there is a high degree of personal interaction with many departments and services, service failure is sometimes difficult to avoid. Lovelock & Wirtz (2011: 376) suggested that, at all costs, the organization should encourage the customer to complain.

Although service organizations want the customer to lodge a complainant, for the organization to truly benefit, the complaint must be lodged to the

organization. Some of the avenues a customer could explore after a service failure could be quite devastating to a service organization. For example, a hotel customer complaints to the Department of Housekeeping for poor cleanliness. It could create different challenges for an organization to overcome. Thus, service recovery is a valuable marketing tool which constitutes a second chance for the hotel to satisfy the customer.

Therefore, the primary objective of this study is to determine the influence between each of perceived justice in service recovery on complainant satisfaction and word-of-mouth intentions in the upscale hotel in Jakarta. Second, it aims to determine the influence between complainant satisfactions on word-of-mouth intentions. Third, it proposes to define the service recovery satisfaction construction best in the upscale hotel in Jakarta.

LITERATURE REVIEW

Perceived Justice (Fairness) Theory

Studies concerning service recoveries have focused on the role of perceived justice in understanding the effectiveness of service recovery strategies (Blodgett et al., 1997; Tax et al., 1998; McCollough et al., 2000). This perspective focuses on the extent to which customers perceive the process and outcomes of a service recovery to be fair and in cases

where the levels of perceived justice are high, consumers are more likely to be satisfied.

When a service failure occurs, customers expect to receive justice, a fair treatment, and to be compensated in a timely and polite manner (McCollough et al., 2000; Tax et al., 1998). Since complaint handling involves a sequence of procedures in order to reach the final outcome, complaining customers would evaluate the perceived fairness of each procedure throughout the complaint handling process (Tax et al., 1998). Customers who complain have certain expectations of how they should be treated and expectations regarding compensation for the negative emotions they experienced and the complaint efforts (McCollough et al., 2000).

As a result, the perceptions of justice could determine whether the dissatisfied customer would engage in future repurchase intentions (Blodgett et al., 1993), negative word-of-mouth, and it can influence the customer's satisfaction level with the service firm's complaint handling and their post-complaint future relationship (Blodgett et al., 1997).

Stephen Tax and Stephen Brown quoted in Lovelock and Wirtz (2011: 375)

found that as much as 85 percent of the variation in the satisfaction with a service recovery was determined by three dimensions of fairness (see Figure 1):

- a. Distributive Justice concerns compensation a customer receives as a result of the losses and inconveniences incurred because of a service failure. This includes compensation for not only the failure but also time, effort and energy spent during the process of service recovery (Lovelock and Wirtz, 2011: 375).
- b. Procedural Justice concerns policies and rules that any customer has to go through to seek fairness. Customers expect the firm to assume responsibility, which is the key to start of a fair procedure, followed by a convenient and responsive recovery process. That includes flexibility of the system and consideration of customer inputs into the recovery process (Lovelock and Wirtz, 2011: 375).
- c. Interactional Justice involves employees of the firm who provide the service recovery and their behavior toward the customer. Giving an explanation for the failure and making an effort must be perceived as genuine, honest and polite (Lovelock and Wirtz, 2011: 375).

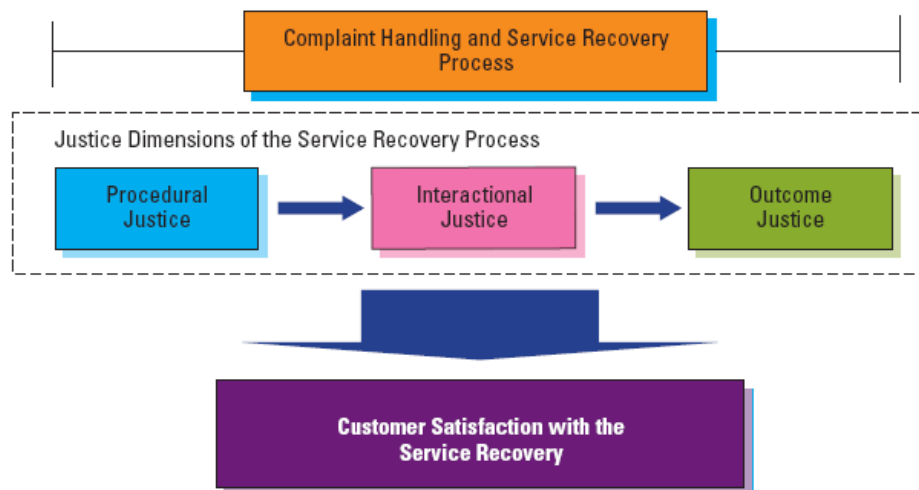


Figure 1. Three Dimensions of Justice Theory in Service Recovery Process
Source: (Lovelock & Wirtz, 2011: 373)

Service Recovery

Lovelocks & Wirtz (2011: 373) Service Failure Response Choice model, demonstrated the customer's choice in the event of a service failure. In the event of a service failure, customers are presented with numerous opportunities. To begin, customers have a choice whether to report the failure to a manager or employee of the organization or leave dissatisfied. Lovelock & Wirtz (2011: 376) suggested that, at all costs, the organization should encourage the customer to complain. Although service organizations want the customer to lodge a complainant, for the organization to truly benefit, the complaint must be lodged to the organization. Some of the avenues a customer could explore after a service failure could be quite devastating to a

service organization. For example, a hotel customer complaints to the Department of Housekeeping for poor cleanliness. It could create different challenges for an organization to overcome. As outlined in the model, organizations are faced with various opportunities to right the wrong, preserve the relationship and, hopefully, engender loyalty. The ultimate goal of any service organization should be for the customer to seek redress from the service organization. This in turn will give the organization an opportunity to correct the problem and avoid the other negative outcomes of a service failure.

Complainant Satisfaction

It is often difficult for organizations to provide 100% error free products or services. Errors are a

critical and inevitable part of every service offering. In the case of service failures, organization should take satisfying corrective actions in order to address the consumer complaints/problems. Some research studies have indicated that there are strong positive relationships between complainant satisfaction and loyalty, trust and positive word of mouth communications. Complainant satisfaction with service recovery is significantly affected by the three dimensions of perceived justice or justice theory (e.g. procedural, interactional and distributive justice). In this study, predictors of complainant satisfaction with service recovery efforts were considered namely perceived justice theory. (Kau & Loh, 2006).

Word-of-Mouth (WOM) Intentions

Word-of-mouth (WOM) refers to the informal communication between consumers about the characteristics of a business or a product (Westbrook quoted in Kau & Loh, 2006). In a service setting, it is important that if failure occurs steps must be taken to pacify the dissatisfied customers. If not, it is highly likely that they will either exit or engaged in negative WOM to the detriment of the service provider. The

end result would be lost sales and profits. On the other hand, consumers who receive fair service recovery are more likely to repatronize the service provider and even engage in positive WOM behavior, thus spreading goodwill for the service provider. Blodgett et al. (1993) confirmed that interactional justice had large impact on WOM intentions. As such, satisfaction with service recovery would encourage positive WOM communication. Moreover, consumers mostly trust each other more than communication from company and this shows the importance of word-of-mouth.

Everybody talks to friends and family about their experiences regarding products, services and brands. The attitude could be positive or negative and result in advice and recommendations that other people follow. With today's development of social media such as blogs, You Tube, Facebook and Twitter, word of mouth has become an even more powerful tool.

Blodgett et al. (1997) confirmed that satisfaction with service recovery would encourage positive word of mouth communication between the customer and the organizations.

RESEARCH METHOD

Sampling Design

This research uses a non-probability sampling method. To those criteria of non-probability sampling method, this research used a combination of a convenience sample and a judgement sample. Since it have a relatively well defined target group people must fulfil certain requirements to be in question for the sample, thereby similar to a judgement sample. Data were collected through survey using a structured questionnaire administered to 1) both customers who had stayed in the upscale hotel during 2012, 2) had experienced a failure in service, 3) reported the problem to an employee or member of the management team and 4) progressed through the hotel's service recovery process and 5) had provided contact information to be recipient of the questionnaire.

The survey was sent to guest's email address. A total of 560 guests received the email requesting their participation in evaluating the service recovery. Of the total guest database, 171 respondents or 30,5 % responded to the questionnaire. Of the 171 questionnaires returned, 163 questionnaires were valid ($n = 163$). In order to evaluate their

satisfaction with the service recovery and word-of-mouth intention, questionnaires collected from respondents who experienced a service failure were analyzed and discussed.

The Questionnaire

This variables of this study are group into two, they are: the independent variable is the justice theory in service recovery evaluation and two dependent variables are complainant satisfaction and word-of-mouth. The variables were measure on a 5 point Likert type scale anchored by (1) strongly disagree, through to (5) strongly agree. For demographic data, used nominal scale defined in this research.

The initial portion of the questionnaire requested respondents to provide information about their demographic characteristics. This included gender, education level attained, age, monthly income, and occupation. This was followed by a series of questions relating to different aspects and overall satisfaction with the hotel. The objective of soliciting such information was to help the respondents to recall their service experience and

find out their level of satisfaction with their respective hotel.

In section 2, a question was asked to proceed to another section to fill up questions regarding the procedural (accessibility (Bitner et al., 1990), timing (Taylor, 1994) and process control (Goodwin and Ross, 1992)), interactional (Politeness (Blodgett et al., 1997), effort, empathy

(Parasuraman et al., 1988) and explanation (Bies and Shapiro, 1987)) and distributive justice (fairness of outcome, compensation). Next, the constructs Complainant Satisfaction (Crosby et al., 1990), “word-of-mouth” (Blodgett et al., 1997; Walker and Harrison, 2001) were measured with items adapted specifically for this research study.

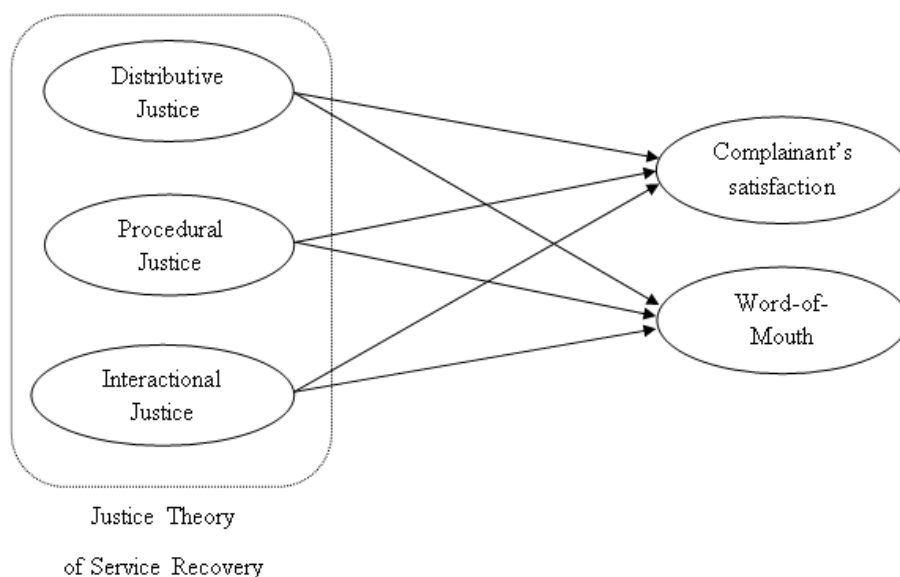


Figure 2. Conceptual Framework

On the basis of the previous discussion, the following hypotheses are offered (see Figure 1).

The effect of perceived justice dimensions on recovery satisfaction also has been mentioned in past literature. Many researchers have found that all three forms of justice including distributive justice, procedural justice, interactional justice have a positive effect on overall service recovery

satisfaction (Smith et al., 1999; Tax et al., 1998; Kau & Loh, 2006). The effects of dimensions of justice on customer's recovery satisfaction have been studied in different service industries as well, including mobile phone buyers (Kau & Loh 2006), undergraduate students, hotel customers (Smith et al., 1999) and airline passengers (McCollough et al., 2000).

Thus, based on the above discussion, this study proposed the following hypotheses:

H1 Distributive justice is related positively to complainant satisfaction.

H2 Procedural justice is related positively to complainant satisfaction.

H3 Interactional justice is related positively to complainant satisfaction.

Both satisfaction and dissatisfaction with a service encounter lead to the production of word-of-mouth. Satisfied customers usually engage in positive word-of-mouth and share their positive experience with people. Dissatisfied customers, on the other hand, usually share their negative encounters with other people, either to warn others about this specific service provider or to obtain sympathy. Theory and previous research indicate that higher levels of distributive, procedural, and interactional justice will lead to a decreased likelihood of negative word-of-mouth (e.g., Blodgett et al., 1993). Thus, it is hypothesized that:

H4 Distributive justice is related positively to word-of-mouth.

H5 Procedural justice is related positively to word-of-mouth.

H6 Interactional justice is related positively to word-of-mouth.

H7 Complainant satisfaction is related positively to word-of-mouth

Validity and Reliability of Measurement Tools

Measurement was conducted on 32 statements related to the three dimensions of perceived justice, complainant satisfaction and word of mouth. This research used primary data. The data collected with a questionnaire, i.e. by providing a written statement to the respondent. Furthermore, the respondents provide responses to a given statement. Data analyses were performed to check for both validity and reliability. A pre-test was conducted to refine the research instrument. Hotel costumer who ever felt service failure were asked to evaluate the survey instrument. Participants were asked to identify any ambiguous questions. Modifications were made accordingly (e.g., wording and underling of negative verbs). Following the pre-test, a pilot test of the instrument was conducted to ensure manipulations of justice dimensions and to assess the reliability and validity of the measurements. A convenience sample of 20 participants (6 female and 14 male) assigned to evaluate it. No changes were made in the instrument for the final study. Validity and reliability measurement of the instruments performed by using the coefficients of Pearson Product Moment Correlation.

The questionnaire was pre-tested among a group of 20 potential respondents but no major problems were detected. Several minor modifications were made to

ensure clarity of the items in the final version of the questionnaire.

RESULTS AND DISCUSSION

The data were analyzed using SPSS for Windows 17.0 and LISREL 8.70. Data testing is performed by SEM (Structural Equation Modeling). The profiles of the respondents would first be presented in this section, followed by results of the statistical analysis.

Profiles of Respondents

Table 1 shows the demographic characteristics of the respondents in total.

There were almost equal number of males and females in the sample. The majority of the respondents were Bachelor educated. In terms of age distribution, about 55percent were 26 to 35 years old. About 39 percent were aged 36 or older. About five out of ten in the sample (or 49.7 percent) were Asia-Pacific Islander and about 44.8 percent were Black African-American. The sample consisted mainly of guests in the age group of 26 – 35 years old.

Table 1
Demographic Characteristics of Respondents

Characteristics	Number	Total (%)
Gender		
Male	88	54
Female	75	46
Education Level Attained		
High School Graduate	17	10.4
Associate Degree	44	27
Bachelor Degree	76	46.6
Master Degree	26	16
Ethnicity		
Asian/ Pacific Islander	81	49.7
Black African-American	73	44.8
Caucasian	1	0.6
Hispanic	6	3.7
American/ Alaska Native	1	0.6
Other/ Multi Racial	1	0.6
Age		
≤ 25 years old	8	4.9
26 – 35 years old	90	55.2

36 – 45 years old	20	12.3
46 – 55 years old	29	17.8
≥ 56 years old	16	9.8

Notes: Total consists of all respondents ($n = 163$)

Description of Service Recovery, Complainant Satisfaction and Word-Of-Mouth (WOM) Intention

The questionnaire was measured on a 5 point Likert scale anchored at (1) strongly disagree through to (5) strongly agree. Variable number 1 until 4 shows about the procedural justice of service recovery, number 5 until 8 represent interactional justice, number 9 until 12 represent distributive justice; number 13 until 16 represent complainant satisfaction and the rest variable represent word-of-mouth intention.

The minimum score of variable represented procedural justice of service recovery found on “The employees gave a convincing explanation about the reason behind the service failure” and the mean of the whole variable procedural justice is 4.04.

The minimum score of variable represented interactional justice of service recovery found on “Employees should always apologize for the inconvenience” and the mean of the whole variable interactional justice is 4.13.

The minimum score of variable represented distributive justice of service

recovery found on “The compensation makes up for the effort (time and emotions)” and the mean of the whole variable interactional justice is 4.20.

In variable complainant satisfaction, the minimum score found in “Pleasure with the service experienced from the hotel” and the mean of the whole variable complainant satisfaction is 4.01.

“Would not warn friends and relatives about the service failure in the future” is the variable of word-of-mouth with the minimum score and the mean overall of word-of-mouth is 4.13.

Data Analysis

Statistical analyses were performed using SPSS for Windows 17.0 and LISREL 8.70. Data testing is performed by SEM (Structural Equation Modeling), the multivariate statistical technique which is a combination of factors and regression analysis (correlation), which aims to examine the relationships exist between variables in a model.

The model which should be tested and analyzed first is the measurement model. Once the model subsequently tested and analysis structural model testing. This

method is used to determine whether the measurement model that has been tested and analyzed can explain the structural model. This stage is intended to evaluate the level of agreement between the data with model, the measurement model and the significance of the coefficients of the

structural model using SEM (Structural Equation Modeling) with LISREL application 8.70. SEM describes relationships between constructs that have been hypothesized. Result calculation of the overall suitability testing the model can be seen in table 2 below.

Table 2.
Measurement Model Testing Result

Index Model Accuracy	Acceptable Level	Index Model	Remark
Chi Square	Less is better (P-values ≥ 0.05)	658.14 (P-value = 0.0)	Good
Goodness of Fit Index (GFI)	GFI ≥ 0.90 = good fit and 0.80 \leq GFI < 0.90 = marginal fit	0.83	Marginal Fit
Root Mean Square Residual (RMSR)	RMSR ≤ 0.05 = good fit	0.023	Good fit
Root Mean Square Error of Approximation	RMSEA ≤ 0.08 = good fit and RMSEA < 0.05 = close fit	0.056	Good fit
Adjusted Goodness of Fit Index (AGFI)	Value between 0-1, more is better AGFI ≥ 0.90 = good fit and 0.80 \leq AGFI < 0.90 = marginal fit		
NCP Interval	Small value and narrow interval	266.14 (199.33 – 340.83)	Good fit
ECVI	Small value and near with ECVI Saturated	M = 4.05 S = 4.64 I = 36.87	Good fit
AIC	Small value and near with AIC Saturated	M = 866.14 S = 992.00 I = 7891.24	Good fit
CAIC	Small value and near with CAIC saturated	M = 1320.68 S = 3159.84 I = 8026.73	Good fit
NFI	NFI ≥ 0.90	0.91	Good fit
NNFI	NNFI ≥ 0.90	0.95	Good fit
CFI	CFI ≥ 0.90	0.96	Good fit

IFI	$IFI \geq 0.90$	0.96	Good fit
RFI	$RFI \geq 0.90$	0.90	Good fit
CN	$CN \geq 200$	145.05	Not Good Fit

Source: Sitinjak & Sugiarto, 2006 dan output LISREL 8.70

The test results in a row seem Chi Square value of 658.14 in both categories, GFI value of 0.83 in the category of marginal fit, RMSR of 0.023 in the category of good fit, RMSEA for 0056 in the category of good fit, and the value of AGFI amounted to 0.79 in the marginal category fit, so it can be concluded that the model used in this study can be used as the basis of an analysis of the problems this study.

Chi-square value is 658.14, as already been mentioned above, follow the statistical Chi-Square statistical test significantly associated with the requirements, where the smaller the value of Chi-Square the better the model fit to the data. Goodness of Fit Index (GFI) owned models also have a match that relatively marginal because value 0.83, where GFI is in the range $0.80 \leq GFI < 0.90$ are in the scale of marginal fit.

Residual average between matrix (correlation or covariance) observed from the estimation ($RMSR = 0.023 \leq 0.05$), rated good-fit. The average difference per degree of freedom that expected to occur in

the population and not the sample also had good fit ($RMSEA = 0.056 < 0.08$). Likewise, the value of AGFI is worth 0.79 ($0.79 \leq AGFI < 0.80$) assessed in the scale of marginal fit.

The acquisition of the above structural model testing in accordance with the requirements set forth by Hair, et al. (2006), so it can conclude that the structural model of this study has value a good fit to serve as a model.

Variables Testing Results

LISREL 8.80 was used to establish the result of outcome data collection. Path coefficient shows the value of a hypothetical model was created and the t-value formed from this research. Hypothesis testing will be done with the requisite degree of significance of 0,05 or 5% and the critical t value of ± 1.96 . The following will be shown table 2 that contains the structured form equations model and figure 3 which presents the results of testing hypothesis by looking at the t-value of each relationship. The structured equation modeling follows:

Table 3.
Structured Form Equations Model
Equation

1	CS = 1.65*PJ + 0.29*IJ – 0.09*DJ, Errorvar.= 0.50, R ² = 0.50 (0.088) (0.10) (0.12) 14.63 3.15 -0.73
2	WM = 0.23*PJ + 1.50*IJ – 0.03*DJ + 1.23*CS, Errorvar.= 0.25, R ² = 0.45 (0.10) (0.12) (0.099) (0.070) 3.42 10.97 -0.24 3.52

Source : Output LISREL 8.80

Remarks:

PJ = Procedural Justice

IJ = Interactional Justice

DJ = Distributive Justice

CS = Complainant Satisfaction

WM= Word-of-Mouth Intention

Here is an explanation of the values:

1. Relationships between Complainant Satisfaction and Procedural Justice is shown in Path coefficient value of 1.65, relationship to Interactional Justice is value 0.29 and relationship to Distributive Justice is -0.09. From the equation model, we can see that all variables of Service Recovery are affecting the Complainant Satisfaction with determination (R²) at 0,50. It means that the variance in Procedural Justice, Interactional Justice and Distributive Justice are able to influence the Complainant Satisfaction by 50% and the rest is influenced by other factors.

2. Relationships between Word-of-Mouth Intention and Procedural Justice is - 0,.23, to Interactional Justice is 1.50, to distributive justice is -0.03 and the relationship to complainant satisfaction is 1.23. The equation model table shown that both of Perceived Justice of Service Recovery and Complainant Satisfaction are influencing the Word-of Mouth Intentions with determination (R²) 0.45. Means that both variables are able to influence the word of mouth intention by 45% and the rest is influenced by other factors.

From the parameters of the structural equations, hypotheses testing can be implemented with the following result:

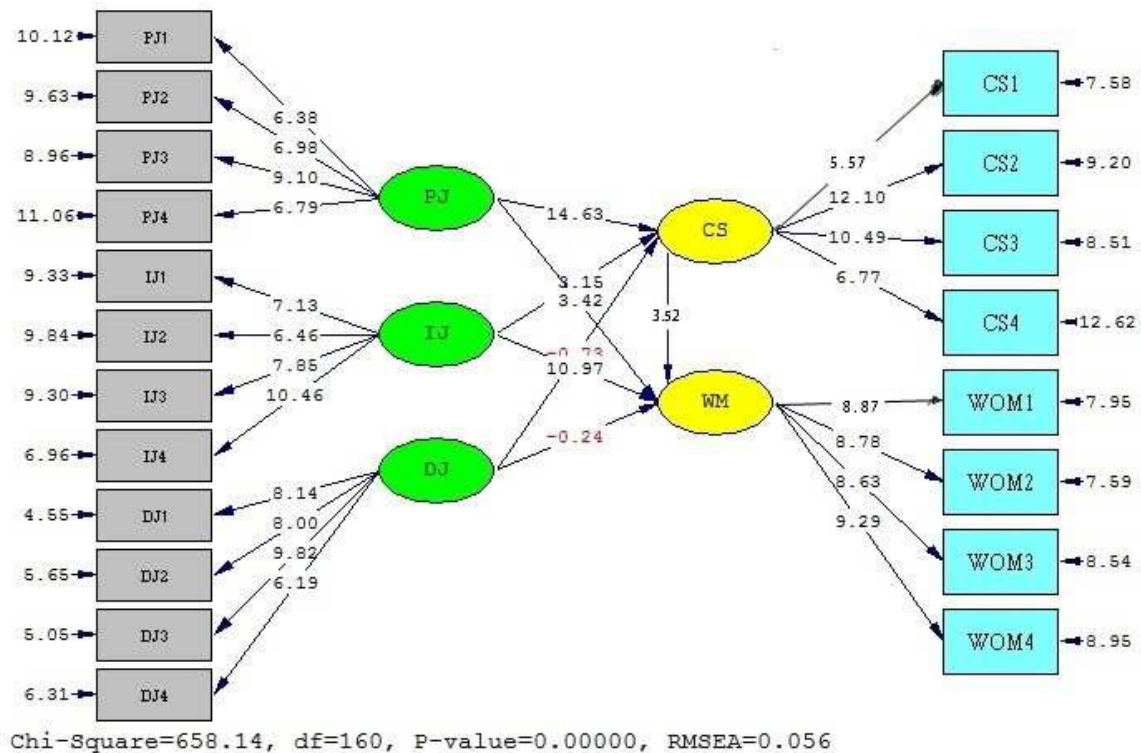


Figure 3. T-Value Path Diagram
Source: T-Value Output of LISREL 8.70

Based on the results of the above t-test on hypothesis, it can be concluded as follows:

H1: Procedural justice is related positively to complainant satisfaction.

Apparently the result of research found path coefficient is 1.65 and t-value at $14.63 > 1.96$, which significant meaning. This indicates that the first hypothesis proposed in the research is supported by the data in which there is positive relation between procedural justice and complainant satisfaction.

H2: Interactional justice is related positively to complainant satisfaction.

Interactional justice on complainant satisfaction with the results of the study found 0.29 scale path coefficients with t-value $3.15 > 1.96$ is significant. This indicates that the second hypothesis proposed in this study is supported by the data in which there is positive relation between interactional justice and complainant satisfaction.

H3: Distributive justice is not related positively to complainant satisfaction.

The study result found that the path coefficients is -0.09 with t-value $-0.73 < 1.96$ is significant. It indicates that the third hypothesis proposed in the study is not supported by the data where there is

positive effect between distributive justice on complainant satisfaction.

H4: Procedural justice is related positively to word-of-mouth intention.

Procedural justice on word-of-mouth intention with the results of the study found 0.23 scale path coefficients with t-value $3.42 > 1.96$ is significant. This indicates that the fourth hypothesis proposed in this study is supported by the data in which there is positive relation between procedural justice and word-of-mouth intention.

H5: Interactional justice is related positively to word-of-mouth intention

The result found 1.50 scale path coefficients with large values $t = 10.97 > 1.96$ is significant.

It indicates that the fifth hypotheses proposed in the study is supported by the data in which there is positive relation between Interactional justice and word-of-mouth intention.

H6: Distributive justice is not related positively to word-of-mouth intention.

The result of research found path coefficient is 0.03 and t-value at $-0.24 < 1.96$, which significant meaning. It indicates that the third hypothesis proposed in the study is not supported by the data where there is positive effect between distributive justice on word-of-mouth.

H7: Complainant satisfaction is related positively to word-of-mouth.

It found that the path coefficient is 1.23 and t-value $3.52 > 1.96$ is significant. It indicates that the seventh hypothesis proposed in the study is supported by the data in which there is positive relation between complainant satisfaction and word-of-mouth intention.

CONCLUSSION AND SUGGESTION

In general, the research hypotheses were well supported, with evidence confirming both the disconfirmation model as well as the important role of justice. Several important conclusions can be inferred from the study. First, the validity of the constructs under study was evaluated. Then, the influence of perceived justice of service recovery on complainant satisfaction and word-of-mouth intention at Hotel in Jakarta was fruitfully evaluated, as follows (a) Procedural justice is significantly related to complainant satisfaction and word-of-mouth intention, (b) Interactional justice is significantly related to complainant satisfaction and word-of-mouth intention, (c) Distributive justice is not related to complainant satisfaction and word of-mouth intention, (d) Complainant satisfaction is significantly related to word-of-mouth intention.

Understanding the impact of justice perceptions has great relevance for

managers who deal with customer complaint handling. Proper analysis of justice perception can lead to training employees on what is appropriate interpersonal behavior, allowing customers to contribute in the decision making process and providing outcomes which customers perceive as being fair under the circumstances.

Managers that are interested in maintaining and building customer relationships should pay particular attention to developing just procedures for handling complaints. At the same time, managers should weigh the costs of addressing complaints against the potential harmful costs of negative word-of-mouth, third-party actions and brand switching. This research would help in developing strategies to allow for a more effective response to customer complaints and thus increase long-term sales and profits.

It will also allow researchers to advance in their understandings of justice theory, and to developing a more precise model of the customer complaining behavior process. Although two of the six hypotheses were not supported, the entire set of findings suggests that managers need to include perceived justice as a major component in models dealing with customer complaining behavior.

Results of this study suggest that managers need to design complaint handling strategies which are responsive to

fairness considerations in terms of outcomes/distributive. Thus, customer's needs and loss need to be thought off when planning recovery strategies.

It is much easier to keep current customers satisfied that it is to attract new customers; therefore it is important to handle customer complaints with care. Preventing customer dissatisfaction continues to be of uttermost importance due to its effect on customer satisfaction and the extent of word-of-mouth intention in the marketplace. Negative word-of-mouth has the power of affecting consumer expectations, brand or company image and eventually future sales and profits.

To provide a fair outcome, companies should be aware of the full costs incurred by the complainants. However, a firm that aims at a generous compensation for a failure should deliver the reparation in hand with the fair procedures and courteous conduct, otherwise its impact on customer satisfaction and negative word of-mouth might be less than desirable. That is why managers should not underestimate the influence of perceived justice on satisfaction. It is crucial for an organization to resort to an effective recovery strategy that would boost the customer's loyalty. Thus, firms need to revise carefully the fairness of their existing course of actions (procedural justice), outcomes (distributive justice), and customer-employee communication (interactional justice). Usually, customers

complain to the frontline employee. Therefore, managers should hire customer contact employees who are capable of handling complaints.

Empowerment is a powerful tool that managers can use to develop a fair complaint handling procedure. It allows front line employees to handle complaints in a prompt, accessible, convenient and flexible manner. Thus, it is crucial to have the employees trained, encouraged and empowered in order to perform the recovery process successfully.

In the future, more research needs to be conducted which tries to identify other variables that have an impact on post-complaint emotions, attitudes and behaviors and the mediating role service recovery dimensions and recovery satisfaction could be analyzed as well.

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